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Pebble Bed Modular Reactor (Pty) Ltd.
Reg. No: 1999/17946/07

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Date:	Your Ref.	Our Ref.:	Enquiries:
18 February 2004			EG Wallace

US Nuclear Regulatory Commission
Document Control Desk
One White Flint North
11555 Rockville Pike
Rockville, MD 20852-2738

Attn: Mr. Samuel J. Collins
Director, Office of Nuclear Reactor Regulation

Subject: Pre-Application Planning for Design Certification of Pebble Bed Modular Reactors

Dear Mr. Collins:

PBMR Pty, LTD, the developer of the direct cycle pebble bed modular reactor (PBMR) concept, intends to apply for formal design certification under US NRC regulations once the detailed design of the PBMR South African demonstration plant is sufficiently completed. As the PBMR design is intended for a global market, the attainment of US NRC Design Certification is an important step in the commercialization of this advanced reactor technology.

PBMR Pty, LTD is a South African entity dedicated to the development and commercialization of the pebble bed technology. The PBMR program has been declared a Strategic National Project in South Africa and as such, is recognized as an important component of the continuing development of this country. PBMR is supported by its current investors; Eskom Enterprises, the Industrial Development Corporation of South Africa, and BNFL, Ltd. who share the vision of small, standardized, inherently safe, modular reactors as the best carbon-free alternative for new generation around the world.

The PBMR direct cycle design has been in development for over 10 years. It is an advanced application of two successful demonstrations of the pebble bed technology at the AVR and THTR reactors in Germany. Between the mid 1960's and mid 1980's these two reactors accumulated approximately 25 years of successful operation of pebble bed reactors, confirming the safety, operational and physical performance capabilities of this

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reactor technology. The PBMR design builds on these earlier successes and extends the design to direct cycle electrical generation applications without departing from the basic reactor design safety concepts.

In order to efficiently obtain the US Design Certification objective, PBMR Pty, LTD would like to initiate long range planning discussions with the NRC as envisioned in the NRC Statement of Policy for Regulation of Advanced Nuclear Power Plants" (July 8, 1986) to assure that appropriate resources and time are available to address issues that both we and the Staff believe should be clarified in the pre-application period. PBMR Pty, LTD believes that the efforts already undertaken by Exelon Generation Corporation to frame issues important to the use of PBMR plants in the US are an excellent stepping off point for our efforts. PBMR would like to begin the planning of work in the second quarter of 2004. Thereafter, beginning in late 2004 or early 2005, PMBR would formally request pre-application reviews in areas developed in the planning phase. PBMR's present view is that the pre-application work will take one and one half to two years before a formal Design Certification application is ready to be filed.

Please contact me at your convenience by email at: edward.wallace@pbmr.co.za to initiate these discussions.

Yours sincerely,

Edward G. Wallace
Senior General Manager- US Programs
PBMR Pty, LTD

Cc:

Dr. Ashok Thadani, Director, NRC NER
Mr. Stuart Rubin, NRC NER
Mr. James Lyons, Program Director, NRC NRR
Ms. Amy Cubbage, Project Manager, NRC NRR
Mr. W. D. Magwood, DOE